

DESIGN FOR DEVELOPMENT

A Policy Statement on The Northwestern Ontario Region

The Honourable W.Darcy McKeough
Treasurer of Ontario and Minister of Economics



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NORTHWESTERN ONTARIO REGION

On October 13, 1970 the Government of Ontario released the report Design for Development: Northwestern Ontario Region--Phase 2. In recognition that Northwestern Ontario has experienced a prolonged period of growth below the provincial average and population out-migration, the report contained 69 recommendations, the main goals of which were:

1. To create at least 18,000 new jobs over the next two decades, encouraging economic expansion especially in a system of growth centres;
2. To diversify the regional economy through those industries suited to the potential of the region;
3. To expand and strengthen the resource-based industries;
4. To provide more effective transportation and communications for economic growth and social welfare;
5. To improve and strengthen the social infrastructure.

Following release of the report, public meetings were held throughout Northwestern Ontario, under the auspices of the Northwestern Ontario Development Council, to explain and discuss the concepts and recommendations. In all, 33 briefs were submitted to the Government and to the Council by municipalities, various associations, and private individuals; all were thorough and constructive. It is interesting that most people urged the Government to do more in this region, such as build more and better roads, airstrips, houses, sewers, old age homes and so forth. There was a clear concern for protecting the natural environment and for preserving the quality of life which most Northwesterners enjoy. Most people agree that a strong stimulus should be

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given to expanding the economy, but would not be in favour of massive urbanization and industrialization. Thus it is obvious that most people urge the Province to initiate rather than regulate. In the words of one brief (Geraldton Chamber of Commerce), "the Provincial government, with its well organized bureaucracy, has complete control over this entire district...about the only thing that we do not require a permit for is picking blueberries."

On balance, the briefs strongly endorsed the concepts inherent in the Phase 2 report, and they advocate its implementation. Therefore, I am pleased to announce that the Government is adopting the Phase 2 report, with some modifications, as a statement of policy. What this means is that the bulk of provincial expenditure in North-western Ontario will be guided by the concepts recommended in the report. The Province is committed to achieving the goals of Design for Development using whatever budgetary and institutional means are necessary.

The implementation of the development plan will involve a combination of provincial departmental programs, together with strong participation at the federal, regional and municipal levels. We have already begun the costing process and in due course we will be able to estimate the costs to be borne by various provincial departments and other levels of government. Some of the recommendations fall into the jurisdiction of single departments, and specific ministers will be responsible for their implementation. Other measures, such as incentives, will be matters of broader public policy, involving a number of agencies. The most important thing is that government expenditures will become more fully co-ordinated to achieve the comprehensive aims of the plan. This means there must be agreement on the various program priorities and on how they will be phased.

In this respect, I should comment on one of the important recommendations of the Northwestern Ontario Development Council. The Council urged that the Government establish a department for North-

western Ontario Development to implement the Design for Development program. As I just mentioned, our implementation procedures will involve a much improved co-ordination of departmental expenditures, with a fair measure of decision-making at the regional level.

Since our regional development planning touches on almost every aspect of Provincial jurisdiction, the overall co-ordinating body for the on-going program is the Cabinet. In addition, a Cabinet Committee on Economic and Regional Development has been established under my chairmanship. The Cabinet Committee meets regularly to review and co-ordinate proposals that have significant impact on the economic policies and regional development plans of the Government. The Advisory Committee on Regional Development, comprised of the deputy ministers of the departments most directly involved in the overall economic development of the province, reports to the Cabinet Committee. The Regional Development Branch of the Department of Treasury and Economics carries the main responsibility for the development plan.

In all, almost every department of the Provincial Government is directly involved in one way or another in the development planning for Northwestern Ontario. At the present time the Government has well underway a study on government productivity, one of the aims of which is to examine how decision-making can be decentralized and co-ordinated along a program basis. The outcome of this study should enable us to achieve the goals of the development program more effectively than by adding a new layer of bureaucracy over existing ones. I may say, however, that I am exploring with the Regional Advisory Boards of senior civil servants in each region the ways and means of ensuring that the efforts of government departments in the field are better co-ordinated in the implementation of regional development plans. While I am here in Thunder Bay, I will be meeting with the Northwestern Ontario Regional Advisory Board, now chaired by Mr. Andy Morpurgo of the Department of Mines and Northern Affairs, to examine the relationships between Queen's Park, the regional field offices, and participatory groups such as the

Northwestern Ontario Development Council. We are doing this because the fine details of planning and implementation can best be done by those directly involved and living in this region.

Equally important in the implementation process is the manner in which those most affected by it, the people of Northwestern Ontario, can effectively participate. We believe it would be a mistake to impose a plan of this magnitude without availing people of the opportunity to shape it. The Northwestern Ontario Development Council has in the past provided a useful forum for this participation, and we will endeavour to strengthen its role. We realize that Northwestern Ontario has its own particular problems that perhaps demand different institutional responses. Indeed, one of the reasons I am here is to look in detail at, and discuss with you, the various courses of action open to the Council and the Government. How will the Council relate to Queen's Park, to the Regional Advisory Board, and to other groups such as the Northwestern Ontario Municipal Association, the Northwestern Ontario Municipal Steering Committee, and the Associated Chambers of Commerce? What is the level of detail most appropriately the concern of the Council, as compared with the planning responsibilities of municipalities? What resources are required to enable the Council to carry out its responsibilities effectively? These, and other questions, are going to take some time to work out, but I am convinced that the role of this Council will be a key one in achieving the aims of Design for Development.

Now I want to deal with some of the more important issues raised by the Phase 2 report and the response to it. A major aim of the program is economic expansion and diversification, the minimum target being the creation of 18,000 new jobs over the next 20 years. The brief of the Northwestern Ontario Development Council, as well as some of the municipal briefs urged that the economic aims of the Design for Development be implemented within a five-year period. I emphasize that the implementation, in some aspects, is underway now. But it would be an extraordinary feat to achieve the target of 18,000 new jobs within five years. The magnitude of this task can be illustrated by the following

figures: between 1965 and 1969, 14 new manufacturing plants located in Northwestern Ontario, employing 527 people. In this region, the employment gains made in the primary industries in some areas were offset by technological advance and mine closings in other areas, and overall increase in employment came about largely through the expansion of the service industries. One can see that our goal of achieving at least 18,000 new jobs, balanced over all sectors in the next 20 years, will require considerable effort. I contend, therefore, that the target and the time period as stated is a realistic one. In other words, it seems proper to concentrate on attainable objectives.

Another issue concerns growth centres. Judging from the briefs, there was good agreement on the need for growth centres because there is a realization that not every place in such a vast region has the same potential for expansion. In selecting growth centres, we are prepared to make some modifications.

First, in many parts of this region there are evidently growth areas rather than narrowly defined growth centres. One such area includes the municipalities of Kenora, Keewatin, Jaffray and Melick. Another is Red Lake, Balmertown and Ear Falls, and similarly Terrace Bay and Schreiber. Our intention is to encourage the economic expansion of growth areas without being constrained by municipal limits. Investment may be concentrated at a point, but there are bound to be spill-over benefits in surrounding areas.

A second change is to add Ignace to the list of growth centres or growth areas, making a total of 14 in all. Mining, forestry and tourism developments in the area north of Ignace make it obvious that Ignace will substantially increase in population, and we are concerned that this growth should be carefully planned within the context of Design for Development. Sioux Lookout, which is a growth centre, will be included in the benefits of this growth. We believe that the opportunities opening up in the area will be in excess of any one

municipality's capacity to handle increasing population. Therefore our intention is to take whatever steps are necessary, such as transportation improvements, to ensure a rational and balanced growth in the areas.

Thirdly, a note of clarification is necessary regarding the labelling of growth centres. No one denies that Thunder Bay is the major urban centre serving all of Northwestern Ontario, and it is here that we will encourage the majority of specialized industries and services that would have little chance of survival anywhere else in the region. There is some confusion, however, regarding Strategic "A" and "B" growth centres (areas). By and large we feel that, in the short run at least, "B" centres have farther to go than "A" centres in terms of their capacity to handle more population and economic diversification. For example, the "A" centres have a higher potential to achieve a diversified economic base, while in the first phase of development we will aim for stability in the "B" centres through expansion of the resource-based industries. In the long run, of course, further expansion and diversification in "B" centres may be possible, provided a good level of success is achieved in the basic sectors. The Township of Atikokan has made representation for designation as Strategic "A" and we acknowledge that Atikokan is a socially strong community which was planned to have a much higher population than it now has. We realize, however, that the life of the iron-mining industry at Atikokan has definite limits. In the next few years we must try to ensure that alternative industries are located there to prevent decline, and we suggest that these opportunities will be found in forestry, tourism, and processing of iron mined in other parts of the region. If we are successful in these efforts, and I am confident we will be, further diversification may be appropriate. It should be stressed that the labels assigned to growth centres should not be construed as meaning lower or higher priorities of timing of investment; rather, it means emphasis on different kinds of investment.

Conclusion

It is readily apparent from these remarks that the really hard task has just begun, that is, moving from the planning stage into implementation. It is going to require a solid effort from all levels of government as well as from the private sector.

An example of what I mean is the program of incentives for mining exploration, just announced by my colleague, the Honourable Leo Bernier. We are acutely aware of the problems in the gold mining camps and, by combining the goals of the Government with the talent of the mining industry, we should rejuvenate those areas which have contributed so much to the growth of this province.

We are convinced that Northwestern Ontario has very great promise, not only for more and better kinds of jobs, but for a quality of life that will be envied in the more congested parts of the province. We have problems to overcome here, but we can achieve our goal by working together in a spirit of positive and creative co-operation.

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